

**SB 205 A STAFF MEASURE SUMMARY****Carrier:** Sen. Boquist**Senate Committee On Finance and Revenue****Action Date:** 04/03/23**Action:** Do pass with amendments. (Printed A-Eng.)**Vote:** 5-0-0-0**Yeas:** 5 - Boquist, Findley, Golden, Jama, Meek**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Kyle Easton, Economist**Meeting Dates:** 3/13, 3/21, 4/3**WHAT THE MEASURE DOES:**

Allows Department of Revenue to disclose and give access to the Employment Department, for purpose of detecting whether identity theft or fraud has been committed, specified taxpayer information that is otherwise confidential. Allows Director of Employment Department to disclose to Department of Revenue, information reported to Employment Department by employers and employees under unemployment insurance, and paid family and medical leave programs, for purpose of detecting potential identity theft or fraudulent claims. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Example of fraudulent tax returns and fraudulent unemployment benefits
- Information sharing between Department of Revenue (DOR) and Oregon Employment Department (OED)
- Location of fraud origination
- Amount of discovered fraudulent activity in past years
- Example of how data sharing between respective agencies would potentially work
- Intent for limited data sharing between respective agencies
- Potential for both DOR and OED to initiate disclosure and/or access to information
- Scope of data sharing between OED & DOR
- Description/type of data of interest for OED
- Anticipation of data requests in future years
- Amendment narrowing scope of data shared compared with intro version of measure.

**EFFECT OF AMENDMENT:**

Specified more narrowly, taxpayer particulars Department of Revenue is able to share with Oregon Employment Department for purposes of detecting the occurrence of identity theft or fraud.

**BACKGROUND:**

Unless specified in statute, tax return data is generally not allowed to be disclosed. For example, ORS 314.835 prohibits the disclosure of tax return particulars except when specifically allowed. Disclosure of information of the Oregon Employment Department (OED) relating to unemployment insurance, employment service, workforce and labor market information, and paid family and medical leave programs is subject to similar limitations.

Beginning in 2020, (SB 1703, 2020 2nd Special Session) temporary authority was provided to the Department of Revenue (DOR) allowing DOR to disclose and give access to specified tax return information to the Department of Employment. The authority was temporarily extended by HB 3043 (2021). SB 205 provides continual authority to Department of Revenue and Oregon Employment Department to share specified information for purposes of detecting potential identity theft or fraudulent claims.